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Testimony of President Bordeaux Senate Committee on Indian Affairs

Energy Development on the Rosebud

Good morning Chairman and members of the Committee. My name is Rodney Bordeaux. On behalf of the Rosebud Sioux Tribe thank you for the opportunity to testify regarding Energy Development in Indian Country.

The Rosebud Sioux Tribe is located in South Central South Dakota, is comprised of over 40,000 enrolled members, and encompasses over 900,000 acres. Recent U.S. Census data measures our area as the second poorest county in the nation. What the economic data does not measure is our proud history, spirit, resilience, and tremendous potential. This is what I'd like to talk about today.

Since 1999, the Rosebud Sioux Tribe has been investigating and developing our wind resource here on tribal lands. In March of 2003, we commissioned the first ever commercial wind turbine on tribal lands in the United States. The 750 Kw Neg Micon turbine called the Akicita Cikala (Little Soldier) is named after Alex Lunderman, a former Tribal Chairman who passed away in 2000. We sell the energy produced to the local utility and we use this money to pay off the RUS loan on the purchase of the turbine.

Today we have 2 major projects underway in wind development. In 2003, we were awarded a \$441,000.00 grant from the Department of Energy to develop a 30Megawatt wind farm called the Owl Feather War Bonnet Wind Farm. We received a FONSI, Findings Of No Significant Impact in February 2008. After reviewing the lease agreement for 18 months, the

Bureau of Indian Affairs finally signed off on the Lease Agreement in August of 2008. The tribe had signed off on the lease in December of 2006. We lost valuable time and monies due to the failure of the BIA to expedite the lease. In the current economic environment, our developer, Distributed Generation Inc., of Lakewood, Colorado has been struggling trying to secure a Power Purchase Agreement with any large utility in the area. The main issue here is that the project is located far from any major load or city and wheeling or tariff fees impede the economics if we have to move the power for any long distance. This farm will supply electricity for about 11,000 homes. At the moment, we do have a draft PPA that is going through a due diligence review by a large investor. We are hoping for the best. Another issue here is that as a tribe in South Dakota we have to follow the South Dakota tax rules and if the taxes are not conducive to wind development we probably won't get a project. These taxes hinder development and infringe upon tribal sovereignty.

In 2008, we engaged Citizens Wind of Citizens Energy Corporation to develop a 190 Mw wind project North of Mission South Dakota. We are approx. 65% complete on the permitting. We did a preliminary system check on the WAPA 115 kv line that runs right through the project area and found out that there is only about 190 Mw of capacity that can fit on this line. We queued up on this line for position 1 as a 90 Mw and position 2 as a 100 Mw, which in essence has maximized the capacity on this line. If we or anybody else in Southern South Dakota wanted to build more wind farms in the area, we couldn't unless WAPA upgrades their existing system or a private firm builds a new line through. This is the biggest issue in the Northern Plains, lack of capacity on existing lines to move power.

The tribe's land base includes lands 5 counties. We have identified lands that can support at least 1000 Mw's of wind development, but unless the grid is improved, there can be little or no pre-development work started, as predevelopment is very costly. The cost for the pre-development of 190 Mw wind is estimated to be around \$3,000,000.00 and fortunately for Rosebud, we did apply for a DOE grant which assisted RST with \$1.5 million dollar grant in 2010 to help do this work. This elevated us with Citizens wind as a partner in the development stage and a 33% share of the development fee that will be charged towards the new owner of the wind farm.

We have yet to find a purchaser for the power from this 190 Mw, North Antelope Wind Farm. We have engaged the major wholesaler of electricity in the area, Basin Electric to see if they have any interest in the project and they don't as they have as much as 600Mw of renewable energy projects in their pipeline. We would like to be able to sell to WAPA but within their policy guidelines they cannot lock into any contracts for more than a period of 5 years, and investment strategies from bankers require long term contracts for energy development to be at least 12 to 20 years for a PPA.

We feel that WAPA and DOE should look at its trust responsibility with the tribes and develop policy to purchase power at market price from tribal projects as a priority. The taking of ancestral homelands on the Missouri River to provide energy to a growing nation has never really been compensated for and this would show the world a true act of trust responsibility from the Federal Government towards tribes along the river.

From 2003, wholesale power costs from Basin Electric upon our local utilities have risen by 115% and rate increases for the consumer since 2009 have risen by 47.5 %. This combined with the cutbacks on the Low Income Home Energy Assistance Program have placed a tremendous strain on our people. I regret to say that we have people making decisions between having electricity and having something to eat. As a Tribe, we want to be self supporting and we are looking towards renewable energy to help us help ourselves out of this predicament. Our intent is to use the revenue stream from these commercial projects to assist our people in purchasing residential renewable energy devices that would assist in lowering their energy bills, and to also build businesses and produce jobs around this sector. We also plan to develop a distributed generation energy system throughout our reservation, using community wind and hydro-systems scattered about the reservation, with the thought to eventually own the local utility. In the Northern part of the reservation thanks to a BIA grant, we have drilled two deep 3500' wells to access geothermal heated artesian water for direct application of heating to the White River Health Care Center (a nursing home) and Day Care Center in White River, SD and we also plan on looking at the possibility of making electricity with this resource.

Among our people, we believe that all things are alive or has the essence of a life energy. The term we use for this is "Wamakaskan". Life or energy from the winds that flow across our lands, to the waters that flow through our creeks and streams, to the grasses and trees that grow on our lands to the four legged, winged ones, even the rock in the earth. Before the advent of oil upon the earth, we humans lived off of the Gifts that Grandfather gave to the people. The greatest gift that was given to the Lakota Oyate was the buffalo and it was this renewable resource that fed, clothed and sheltered our people for eons, until greed took them away, but greed cannot take away what the essence of the buffalo was.

The Sacred Hoop of Renewal exists and we humans need to understand it and to embrace this philosophy. These are the renewable energy resources that are given to us in every moment of everyday, for our children's sake and the future of mankind. This is a teaching that needs to be brought forward for all of mankind. Renewable energy is the future of all people on this earth. The United States Government needs to embrace this future fully and support programs that promote this industry.


Beyond what was mentioned before, it is important to note and to encourage to Congress that the Production Tax Credit should be extended for at least another 5 years. Without a doubt, this tax credit is the driver behind wind energy and other renewable energy development in the United States today.

Finally, as we are talking about Energy Development, I must note our tribe's absolute opposition to the proposed route of the Keystone XL project. The Keystone XL project is a product of deceit and greed and cannot be allowed to go forth. Water is life and is precious, more precious than oil. The United States has an obligation to its citizenship to protect the national resources from contamination of any sort and to place our drinking water in jeopardy would be, in the opinion of the Rosebud Sioux Tribe, gross misconduct by the Congress of the United States. We are opposed to proposed legislation permitting the project, and any all efforts to route the pipeline on or near our homelands as defined by the 1851 and 1868 Ft. Laramie Treaties.

In summary, the Rosebud Sioux Tribe makes the following recommendations.

- 1. Investments must be made to existing power lines so that we can utilize our great renewable energy resources.*
- 2. Incentives must be made available top private energy buyers to purchase energy from tribal energy sources.*
- 3. Federal buyers of energy should be made to source as much energy as possible from tribal lands, provided the tribe is willing to develop its energy sources.*
- 4. Enact legislation to expedite lease review processes at the BIA, as well as enact provisions for tribes to review their own leases agreements in the spirit of true sovereignty.*
- 5. Extend the Production Tax Credit for at least another 5 years.*

Again, thank you for the opportunity to testify. I'd be happy to answer any questions the Committee may have.



President Bordeaux
Rosebud Sioux Tribe

